

July 24, 2009

The Honorable Charles Terreni
Chief Clerk and Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

**Re: Docket No. 1991-216-E
2009 Nuclear Decommissioning Funding Update**

Dear Mr. Terreni:

Pursuant to Public Service Commission of South Carolina (the "Commission") Order No. 94-1308, dated December 30, 1994, in Docket No. 91-216-E, I am writing to notify the Commission of the results of the 2009 Nuclear Decommissioning cost and funding report prepared by Duke Energy Carolinas, LLC ("Duke Energy Carolinas").

As we previously informed the Commission on April 10, 2009, Duke Energy Carolinas retained TLG Services, Inc. to conduct site-specific decommissioning studies of Duke Energy Carolinas' seven nuclear units, which determined a total decommissioning cost of \$3 billion. Based upon these decommissioning studies, Duke Energy Carolinas prepared a cost and funding report, which sets forth the revenue requirements for the decommissioning cost estimates. The 2009 cost and funding report determined that the annual South Carolina retail jurisdictional funding requirement is \$12 million which is approximately the same amount calculated in the 2005 cost and funding report. I have attached the 2009 cost and funding report.

The annual funding requirement continues to reflect the extended operating licenses received for each of Duke Energy Carolinas' nuclear units, and the corresponding increase in time to fund the decommissioning costs. The Nuclear Regulatory Commission granted renewed operating licenses for all three units at Oconee Nuclear Station in 2000 and for the two units each at McGuire Nuclear Station and Catawba Nuclear Station in 2003.

Please let me know if you have any questions.

Sincerely,
Catherine E. Heigel
Associate General Counsel
Duke Energy Carolinas, LLC

Encl.

Cc: D. Arnett, ORS
J. Nelson, ORS